STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 3340	Department California Conservation Corps	Priority No. 001

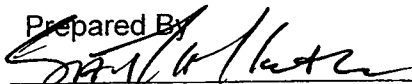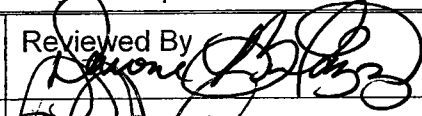| Budget Request Name 3340-300-BCP-BR-2016-A1	Program **2360 – TRAINING AND WORK PROG**	Subprogram **2360010 – BASE & FIRE CTRS**

Budget Request Description
C³ Project Funding Augmentation

Budget Request Summary

The California Conservation Corps (CCC) is requesting a one-time budget augmentation of $409,000 for FY 2016-17 funded by the Collins-Dugan Reimbursement Account Fund. This request will fund necessary consultant services for project management, quality management, Independent Project Oversight Consultant (IPOC), system architect, and Independent Verification and Validation (IV&V) consultants to complete the department's priority information technology project C³ which was approved via a Feasibility Study Report (FSR) on April 1, 2014. This need for increased funding is caused by a four-month schedule extension from July 1, 2016 thru October 31, 2016 to allow for completion of rework on early deliverables submitted by subcontractor that did not meet CCC's quality objectives, and initial testing of the Projects Module failed quality review, requiring more in-depth review and oversight by CCC's technical resources, including the addition of a system architect.

Requires Legislation ☐ Yes ☒ No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? ☒ Yes ☐ No *If yes, departmental Chief Information Officer must sign.*	Department CIO *Ylita Kng*	Date 3-25-2016

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

☒ FSR ☐ SPR   Project No. 3340-13   Date: April 1, 2014

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date 3-25-16	Reviewed By	Date 3/25/16
Department Director *for Bruce Saito*	Date 3.28.16	Agency Secretary	Date 3/28/16

A.   Budget Request Summary

The California Conservation Corps (CCC) is requesting a one-time budget augmentation of $409,000 for FY 2016-17 funded by the Collins-Dugan Reimbursement Account Fund. This request will fund necessary consultant services for project management, quality management, Independent Project Oversight Consultant (IPOC), system architect, and Independent Verification and Validation (IV&V) consultants to complete the department's priority information technology project C^3 which was approved via a Feasibility Study Report (FSR) on April 1, 2014. This need for increased funding is caused by a four-month schedule extension from July 1, 2016 thru October 31, 2016 to allow for completion of rework on early deliverables submitted by subcontractor that did not meet CCC's quality objectives, and initial testing of the Projects Module failed quality review, requiring more in-depth review and oversight by CCC's technical resources.

B.   Background/History

CADCARS Background

The CCC has come to rely on the legacy system, the CCC Automated Data Collection and Reporting System (CADCARS), to meet its critical program and business needs by delivering information that measures CCC's effectiveness in delivering the work and educational objectives of the program. The CCC developed CADCARS in the 1980's allowing field and headquarters users to easily access, track, and measure program accomplishments. The CCC program staff depends on the availability of CADCARS to administer corpsmember pay and corpsmember educational programs, as well as track aggregate project hours, project costs, accomplishments, performance measures, reimbursement revenue (billings), and emergency response efforts.

The CCC generates about 39 percent of its operating budget through the performance of public service conservation work projects which are billed to sponsoring organizations. CADCARS tracks all hours that corpsmembers work on these projects, provides the ability to invoice for all project expenses, and creates an auditable record. This system tracks millions of hours of emergency and resource conservation project work completed each year, and is critical to the department's ability to capture data, measure outcomes, and report on its ability to meet strategic performance measures and legislative mandates.

The CADCARS legacy system is written in Clipper programming language with an Advantage Database server as its data repository. It was developed to use a particular hardware, HP ML 370 G2 using Novell 5.1 SP6 operating system. Support for this specific hardware and operating system ceased in 2005, thereby increasing the risk of losing the system to hardware problems, viruses or unsupportable applications. The inability to continue security patches and upgrades to the hardware and software of the system places personal identifiable information of over 50,000 individuals at risk.

The last Civil Service IT staff that supported CADCARS left the CCC in October 2001. Since then, this legacy system has been supported by contractors. The obsolescence of this system makes it increasingly difficult for the CCC to find trained civil service personnel and/or contractors to support the system.

C^3 Project Background

Over the last four years, the CCC has undertaken an extensive effort to perform business process analysis. The analysis targeted CCC corpsmember information management, with particular focus on analyzing corpsmember development, timekeeping, work projects, health and safety, and performance

management. The result of the analysis showed the CCC's process for managing corpsmember information is utilizing a legacy system based on 1980's technology, multiple Access databases, multiple spreadsheets, paper forms and manual processes. These archaic, error-prone, time consuming and labor-prone intensive processes impede the department's ability to meet the evolving needs of its corpsmembers.

To efficiently achieve the department's mission and comply with its governing Public Resources Code sections, the CCC needs to re-engineer its core business processes. This re-engineering effort will streamline manual processes, eliminate redundant databases, spreadsheets and paper forms, and replace the legacy database system (CADCARS).

A Feasibility Study Report (FSR) was submitted to the Department of Technology in January 2014. The FSR was approved on April 1, 2014. Procurement activities continued through November 2014 and the System Integration Contract was awarded on January 5, 2015. Project Kick-off was on January 12, 2015.

Resource History

Finance Letter (FL) 14-01, which requested funding for additional staff, one-time implementation, and ongoing costs for the C³ project, was approved. The approved project costs also included $392,000 in FY 2016-17 for a Software as a Service (SaaS) Integration, Quality Management, Independent Validation and Verification (IV & V), Caltech Oversight, and Project Management services.

On December 5, 2014, bids were received by two viable SaaS integration vendors. Both bids called for an implementation schedule that will conclude in FY 2015-16. The contract was awarded to Global Touchpoints, Inc. The schedule proposed by Global Touchpoints projected for completion of the project is in May 2016, four months earlier than anticipated in FL 14-01.

In February 2015, CCC submitted Finance Letter 15-04, requesting that $392,000 be shifted from FY 2016-17 to FY 2015-16. This shift was predicated on the original contractor's proposal that all work would be completed within FY 2015-16.

The vendor has worked on this project for the past twelve months. Early deliverables submitted by Global Touchpoints did not meet CCC's quality objectives, and initial testing of the Projects Module failed quality review, requiring more time for in-depth review and oversight by CCC's technical resources. As such, rework is being conducted and the schedule has been extended to October 2016.

A system architect has been added to the project to assist in the quality of the design and deliverables of the project Consultant contracts for project management, quality management, and IV&V services are projected to expire in June 2016; therefore, additional funds are needed to fund these required consultant services during 2016-17 until the project is completed.

Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY 2015-16
Authorized Expenditures				$1,411	$2,702
Actual Expenditures				$1,411	$2,702
Revenues					
Authorized Positions				3.0	3.0
Filled Positions				3.0	3.0
Vacancies				0.0	0.0

C.   State Level Considerations

The CCC supports and aligns with the California Natural Resources Agency's (CNRA) mission "To restore, protect, and manage the state's natural and cultural resources for current and future generations using creative approaches and solutions based on science, collaboration and respect for all the communities and interests involved." PRC Section 14300 (i) mandates the CCC to assist departments within the CNRA in developing rehabilitating, and restoring parklands, recreational facilities, and historical resources; restoring salmon and steelhead spawning, nursery, and rearing habitat; restoring and preserving wildlife habitat; and enhancing reforestation in both urban and rural areas. In addition, the CCC provides a cost-effective option for State, Federal, and Local Agencies to contract services to complete conservation related work projects. Examples of these services include fire fuel load reduction and mitigation, levee repair, park maintenance, coastal fisheries protection, trail building, oil spill cleanup, energy conservation, and wildlife habitat restoration. PRC Section 14315 requires that state agencies considering the use of contracted labor give priority to the CCC when its mission and the nature of the project are substantially consistent.

Although the dollar amount of this proposal does not exceed the $5,000,000 or the 20 percent threshold as required by BL 15-13, CCC has submitted a Special Project Report (SPR) on January 15, 2016, as the project schedule, funding requirements, and allocation of funds have changed.

D.   Justification

All approved funding for this project has been committed in consultant services as funded. The CCC is requesting an additional $409,000 in FY 2016-17 to fund consultant services that are critical to the success of the C³ project. Current projections based on monthly burn rate of $63,000 indicate that the funds for the Project Management, Quality Management, IPOC, and IV&V resources will be expended by June 2016. The final phase of the project is scheduled to go into production on September 30, 2016. Continued project training and project closeout activities are expected to complete by October 31, 2016, as identified in the SPR.

Additional time and effort have been expended by consultant resources to help resolve a number of issues with System Integration deliverables. These issues have been documented in project Corrective Action Plans. The Corrective Action Plans are included as an attachment to this Finance Letter.

This request is itemized as follows:

Project Manager ($81,400) – The Project Manager is responsible for the day-to-day management of the CCC resources assigned to the project and is the single point of contact with the System Integrator (Global Touchpoints, Inc.), the Resources Agency, and the Department of Technology IPOC. The Project Manager maintains project plans, the project budget, and the project schedule. Status meetings and the Executive Steering Committee meetings are facilitated by the Project Manager.

Quality Manager ($106,380) -- The Quality Manager is responsible for ensuring that all business and technical requirements are met by the System Integrator. The Quality Manager evaluates system development and configuration standards, comparing them to the standards documentation established by the project team. The Quality Manager reviews the System Integrator's test results and provides approval to move the code to User Acceptance Testing and then to Production. The Quality Manager writes the User Acceptance Test plans and manages the User Acceptance Test process.

IV&V ($63,250) – The IV&V resources provide of the project management and system integration processes. The IV&V provide independent reporting to the State control agencies, the California Natural

Resources Agency and the CCC. This service is required by the Department of Technology and serves a vital function by helping to ensure that the project remains on track.

System Architect ($110,200) -- A system architect with extensive Salesforce.com engineering experience has been added to the project. Thus far, the system architect has helped refine and more deeply align the system design to CCC goals. The cost of the system architect is $112,500 through the life of the project. Since the original integration contract was $2,300 below the authorized amount ($1,340,000 contract vs $1,342,300 approved), this finance letter is requesting $110,200 budget augmentation for the system architect.

Department of Technology/IPOC ($47,680) -- The IPOC provides independent project management oversight guidance in conformance with the IT Project Management Framework and the Statewide Information Management Manual. The IPOC reports project progress to the Department of Technology and the Resources Agency and is required to continue with the project until project completion. CCC requests a $47,680 budget augmentation for the Department of Technology oversight costs for five months, from July 1, 2016 through November 30, 2016. Effective July 1, 2015, the oversight costs increased from $6,400/month to $9,380/month. The augmentation request assumes four months of implementation and one month of project wrap-up, as well as an estimated two percent rate increase starting July 1, 2016. The potential rate increase was included to ensure that CCC is not caught short-sighted (as in FY 2015-16) and will be fully funded for this project in FY 2016-17.

The table below provides information about the funding need in 2016-17:

Contract	Estimated Monthly Cost	Base = Monthly Cost x 4	Overtime*	Total, Base + Overtime, 7/1/16 - 10/31/16	Additional Funds Required 7/1/16 - 10/31/16
		Estimated Cost Projection 7/1/16 - 10/31/16			
Project Manager	$ 17,600	$ 70,400	$ 11,000	$ 81,400	$ 81,400
IV&V	$ 13,000	$ 52,000	$ 11,250	$ 63,250	$ 63,250
Quality Manager	$ 23,220	$ 92,880	$ 13,500	$ 106,380	$ 106,380
IPOC**	$ 9,380	$ 47,680		$ 47,680	$ 47,680
Consultant Totals	$ 63,200	$ 262,960	$ 35,750	$ 298,710	$ 298,710
System Architect	Fixed Price Deliverable				$ 110,200
				Total Funds Required	$ 408,910

*Overtime costs for Go Live period (7/1/16 - 10/31/16):

For PM and QM approximately 33 hours / month

For IV&V approximately 25 hours / month

**IPOC amount is for 5 months for project wrap up and assumes 2% rate increase in FY 16-17

E.   **Outcomes and Accountability**

Upon approval of this request, CCC will:

1. Extend the consulting resource contracts through October 31, 2016 and amend with additional funds.

2. Continue to report schedule and budget status to the Department of Finance, Department of Technology, and California Natural Resources Agency.

3. Manage and monitor the System Integrator's adherence to the schedule and report variances in bi-weekly status reports.

F.   **Analysis of All Feasible Alternatives**

Alternative A: Approve this proposal, as specified.

PROS:

*   Allows CCC to continue to contract for critical project resources.

CONS:

*   Additional costs associated with the project will be allocated out of the Collins-Dugan Fund reserve.

Alternative B: Absorb the $409,000 within existing funds in FY 2016-17.

PROS:

*   None.

CONS:

*   Reduces funding currently allocated for corpsmember programs.
*   This would be an unanticipated expenditure for CCC in FY 2016-17, which would force CCC to redirect funding from other critical program areas.

Alternative C: Do nothing.

PROS:

*   No budget modification and less cost overall for the project.

CONS:

*   The project will stop until CCC can redirect existing funds. These resources are required as a condition of Special Project Report approval.
*   CCC internal resources do not have the specialized skills or independent perspective provided by the consultants.

G. Implementation Plan

The project is anticipated to be deployed as follows:

Project Phase	Current Dates	Proposed Dates
Procurement Complete	1/2/15	1/2/15
Planning/Analysis	2/13/15	2/13/15
Design, Development and Implementation (Interactive through Release Cycles)	4/17/16	9/30/16
Deployment	5/11/16	10/31/16
Post-Implementation Report	5/11/17	1/5/18

H. Supplemental Information

Not applicable.

I. Recommendation

Alternative A - Approve the request for an additional $409,000 for FY 2016-17 from the Collins-Dugan Reimbursement Account Fund to allow for the completion of the C^3 project.

BCP Fiscal Detail Sheet

CP Title: C3 Project Funding Augmentation

DP Name: 3340-300-BCP-DP-2016-A1

Budget Request Summary

		CY	BY	FY16 BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment							
5340 -	Consulting and Professional Services - External	0	361	0	0	0	0
5340 -	Consulting and Professional Services - Interdepartmental	0	48	0	0	0	0
Total Operating Expenses and Equipment		**$0**	**$409**	**$0**	**$0**	**$0**	**$0**
Total Budget Request		**$0**	**$409**	**$0**	**$0**	**$0**	**$0**

Fund Summary

		CY	BY	BY+1	BY+2	BY+3	BY+4
Fund Source - State Operations							
0318 -	Collins-Dugan Calif Conservation Corps Reimbursement Acct	0	409	0	0	0	0
Total State Operations Expenditures		**$0**	**$409**	**$0**	**$0**	**$0**	**$0**
Total All Funds		**$0**	**$409**	**$0**	**$0**	**$0**	**$0**

Program Summary

		CY	BY	BY+1	BY+2	BY+3	BY+4
Program Funding							
2360010 -	Training and Work Program--Base and Fire Centers	0	409	0	0	0	0
Total All Programs		**$0**	**$409**	**$0**	**$0**	**$0**	**$0**